



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-  
Clerk of the Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

At its meeting held October 17, 2006, the Board took the following action:

29, 30 and 31

The following items were called up for consideration:

**29**

The Director of Parks and Recreation's recommendation to find that services can be performed more economically by an independent contractor; award and instruct the Mayor to sign a two-year contract with TruGreen LandCare, Branch 6169, for a total maximum contract cost of \$236,976 per year, for park maintenance services at the Foothill Area Parks (1 and 5), effective November 13, 2006 to November 30, 2008 with three one-year renewal options; authorize the Director to exercise the contract renewal options annually, which may include a cost of living adjustment and to increase the contract cost by 10% during each contract year, which will increase the total annual contract cost to a maximum of \$260,674 for the first two years; and find that project is exempt from the California Environmental Quality Act;

**30**

The Director of Parks and Recreation's recommendation to find that services can be provided more economically by an independent contractor; award and instruct the Mayor to sign two-year contract with Sepco Earthscape, Inc., for a total maximum contract cost of \$135,206 per year, for landscape maintenance services at the Arboretum and Botanic Gardens (5), effective November 13, 2006 to November 30, 2008 with three one-year renewal options; authorize the Director to exercise the contract renewal options annually, which may include a cost of living adjustment per option year and to increase the contract cost by 10% during each contract year, which will increase the total annual contract cost to a maximum \$148,727 for the first two years; and find that project is exempt from the California Environmental Quality Act; and

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**31**

The Director of Parks and Recreation's recommendation to find that services can be performed more economically by an independent contractor; award and instruct the Mayor to sign a two-year contract with TruGreen LandCare, Branch 6246, for a total maximum cost of \$204,854 per year, for park maintenance services at the Hacienda Heights Community Parks (4), effective November 16, 2006 to November 30, 2008, with three one-year renewal options; authorize the Director to exercise the contract renewal options annually, which may include a cost of living adjustment per year and to increase the contract cost by 10% during each contract year, which will increase the total annual contract cost to a maximum of \$225,339 for the first two-years; and find that project is exempt from the California Environmental Quality Act.

Supervisor Yaroslavsky made the following statement:

“On September 26, 2006, the Board of Supervisors considered two contracts for maintenance services for the Department of Parks and Recreation. Each contract was for a two-year period with three one-year renewal options. The contracts envisioned workers earning the ‘Living Wage’ and also anticipated potential Cost of Living Adjustments whereby the Department could increase the contractors’ compensation during the option years. On my motion, the Board voted to amend the contracts to require that any Cost of Living Adjustment (COLA) exclude the cost of labor from the base upon which the COLA was to be calculated, unless the contractor could show that his/her labor costs would actually increase. My motion to apply such a provision to all Living Wage contract COLA provisions was referred to the Chief Administrative Officer with a request that he work with the Director of Personnel to determine the cost impacts of establishing such a policy.

“On October 5, 2006, the Chief Administrative Officer provided his response to this request. The Chief Administrative Officer reported that ‘if the COLA policy is amended by your Board to include this provision, we believe overall COLA contract costs will decrease, resulting in increased savings for the County.’ The Chief Administrative Officer reported further that there will be ‘undetermined administrative expense related to implementing and monitoring the policy.’ However, since the County already monitors Living Wage contracts it is clear that any such expense will be far outweighed by the cost savings.

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“Implementation of such a policy is warranted to ensure that the County is not paying ‘cost of living adjustments’ for labor costs to contractors whose labor costs have not increased.

“I, therefore, recommend that the Board:

1. Approve a policy requiring that all Cost of Living Adjustment (COLA) provisions in Living Wage contracts exclude the cost of labor from the base upon which the COLA is calculated, unless the contract can show that his/her labor costs will actually increase, and instruct the Chief Administrative Officer to update the Policy Manual to reflect this provision;
2. Instruct departments to immediately include this provision, as applicable, in their current contracting processes, including any Requests for Proposals, contract negotiations, contract recommendations and contract awards, using revised COLA language; and
3. In the event that a department is at the contract award stage of the solicitation process and the recommended vendor is unwilling to adhere to this new provision, authorize the department to execute a month-to-month contract extensions with the incumbent contractor pending resolution and award.

“I further recommend that the Board adopt the Director of Parks and Recreation’s contracts with TruGreen LandCare, Branch 6169, Sepco Earthscape, Inc. and TruGreen LandCare, Branch 6246 as amended to require that those portions of the contractor’s compensation that represent the cost of labor be excluded from the calculation of any Cost of Living Adjustment, unless the contractor can show that his/her labor costs have actually increased.”

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29, 30 and 31 (Continued)

Therefore, on motion of Supervisor Burke, seconded by Supervisor Molina, duly carried by the following vote: Ayes: Supervisors Molina, Burke, Yaroslavsky and Knabe; Noes: Supervisor Antonovich, the Board took the following actions:

1. Approved a policy requiring that all Cost of Living Adjustment (COLA) provisions in Living Wage contracts exclude the cost of labor from the base upon which the COLA is calculated, unless the contract can show that his/her labor costs will actually increase, and instruct the Chief Administrative Officer to update the Policy Manual to reflect this provision;
2. Instructed departments to immediately include this provision, as applicable, in their current contracting processes, including any Requests for Proposals, contract negotiations, contract recommendations and contract awards, using revised COLA language;
3. In the event that a department is at the contract award stage of the solicitation process and the recommended vendor is unwilling to adhere to this new provision, authorize the department to execute a month-to-month contract extensions with the incumbent contractor pending resolution and award; and
4. Adopted the Director of Parks and Recreation's attached contracts with TruGreen LandCare, Branch 6169, Sepco Earthscape, Inc. and TruGreen LandCare, Branch 6246 as amended to require that those portions of the contractor's compensation that represent the cost of labor be excluded from the calculation of any Cost of Living Adjustment, unless the contractor can show that his/her labor cost have actually increased.

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#### Attachments

Copies distributed:

Each Supervisor

All Department/District Heads